

**Testimony of Jim Anderson  
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Missouri Wine and Grape Board**

**Submitted to the  
House Committee on Small Business  
Subcommittee on Rural Development, Entrepreneurship and Trade**

**For a hearing to discuss  
“The Future of Specialty Crops for Small Family Farmers”**

**July 30, 2009  
Washington, D.C.**

Good morning, Chairman Shuler, Ranking Member Luetkemeyer, Members of the Committee. Thank you for the opportunity to be here. My name is Jim Anderson and I am the Executive Director of the Missouri Wine and Grape Board in Jefferson City, Missouri. The Missouri Wine and Grape Board is responsible for researching, developing and promoting Missouri grapes, juices and wine. The funds are used to develop programs for growing, selling and marketing of grapes and grape products grown in Missouri. Missouri now has 90 wineries and 1,500 acres of grapes planted. Made up of mostly small and mid-size wineries, the state’s industry contributes over \$701 million each year to the state’s economy.

As an emerging and growing specialty crop industry that is populated by many small family farms, we were pleased to see that mandatory funding for specialty crop-programs is included in the Farm Bill. Considering specialty-crops now make up 50 percent of the

current farmgate value in the United States, providing money for research, marketing and quality improvement is a good investment in agriculture and in the future of small farms.

We are particularly pleased to see the inclusion of the Specialty Crop Block Grant Program and the addition of the Clean Plant Network as permanent programs in the Farm Bill. These are two programs that Missouri's wine and grape industry will directly benefit from.

The Specialty Crop Block grant program was initially established as a stand-alone program in 2001. Since that time, these grants have been used by the industry nationwide for marketing, research, wine trails, establishing wine and cuisine partnerships, development of online educational manuals for new and existing wineries and growers, procurement of more efficient wine processing equipment, and other projects to help industry producers.

Missouri began using the specialty crop block grants in 2004 by funding a multi-year project with the goal of reducing the shortage of adequately educated young people entering the wine grape industry to establish a network of grower-based demonstration vineyards stretching across the Missouri River Hills region and the West Central area of Missouri. This allows local FFA chapters, vocational-agriculture classes in high school and producers to participate in these on-farm demonstration programs which give the tools to start their own vineyards.

In fiscal year 2008, the Missouri Department of Agriculture started a Specialty Crop Grant program calling for projects to enhance the Missouri Speciality Crops. One specific project is a voluntary online registration database for farmers such as grape growers, organic growers, vegetable farmers, and other producers of pesticide-sensitive specialty crops to alert applicators of a crop's location. This will help prevent danger to the crop by legal applicators and co-ops that commercially spray. Presently, fiscal year 2009 grant application proposals are being collected for the state's Specialty Crop Grants program.

The National Clean Plant Network is a new program with mandatory Farm Bill funding and will be involved in decisions about importing and clearing new varieties and developing plans to ensure that plants available commercially are disease free. Plant centers will be used for diagnostic and pathogen elimination services in an effort to produce clean plant material, including vines, for propagation; and maintain blocks of pathogen-tested plant material. The clean plant material will be made available to states for certified plant programs as well as private nurseries and growers. Missouri is one of the states that will be looped into the network through the University of Missouri-Columbia and Missouri State University.

Healthy plant stock is key to the cost-effective production of horticultural crops such as fruit trees, nut trees, and grapevines. Healthy plant stock is easier to propagate, requires fewer chemical inputs, and producer higher crop yields and better crop quality than common plant stock. Healthy planting stock is necessary for U.S. agriculture to remain

internationally competitive and economically viable. The most effective approach to producing healthy plant stock is through programs which screen valuable plant selections for viruses and other diseases that can spread by contaminated plant stock. Quarantine services provided by clean stock programs reduce the chance of introduction of exotic pests that can be difficult and costly to control. For example, the cost of planting a vineyard is \$10,000 - \$15,000 per acre and the vines do not bear fully mature fruit for five years. A grower generally plans for those vines to be growing and productive for 30 years. Therefore, if a disease shows up and destroys part or all of the crop in year eight, the grower has not only lost those productive years and but is also faced with the tremendous cost of replanting. Having clean plant stock greatly reduces or eliminates the risk of such a loss.

The grape and wine industry's economic impact is significant in areas not affected by most other agricultural industries. When wineries are built, bed and breakfasts, restaurants, hotels, gift shops, artisans and other tourist attractions soon follow. As the industry matures, these "clusters of tourism" are developing statewide. The industry also benefits other businesses such as oak barrel and stainless steel tank manufacturers, chemical and equipment dealers, wine wholesalers and retailers in the state. This rural economic development is common and can be seen in other states such as California, New York, and Oregon.

Presently, about one million people visit Missouri wineries yearly. As tourism clusters develop in rural areas, small producers and businesses can grow. In 2007, the Missouri

wine industry paid \$39.4 million in state taxes and \$28.9 million in federal taxes and provided over 6,000 full-time jobs. Missouri's 1,500 acres of vineyards and 90 wineries are made up of small farms with an average of less than 15 acres of grapes and family wineries over 10,000 gallons. Data indicates that grape and wine production in Missouri offers substantial growth in jobs, incomes and tax revenue to the state. With 8 percent of the wine market share currently being served by Missouri wineries, the opportunity for growth is excellent.

In conclusion, the Missouri Wine and Grape Board strongly supports the Farm Bill for the Specialty Crops industry.